

South Carolina Board of Economic Advisors

Statement of Estimated State Revenue Impact

Date: April 16, 2007 **Bill Number:** H.B. 3666

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Committee Requesting Impact: House Ways & Means Committee

Bill Summary

A bill to amend Title 11, of the Code of Laws of South Carolina, 1976, by adding Chapter 50 so as to enact the "South Carolina Rural Infrastructure Act", to establish the South Carolina Rural Infrastructure Authority, and to provide for its governance, powers, and duties; to authorize the Authority to provide loans and other financial assistance to a municipality, county, special purpose or public service district, and a public works commission to finance rural infrastructure facilities; to allow state appropriations, grants, loan repayments, and other available amounts to be credited to the fund of the Authority; to authorize lending to and borrowing by eligible entities through the Authority; and to provide definitions.

REVENUE IMPACT ^{1/}

This bill is not expected to affect state General Fund revenue in FY2007-08.

Explanation

This bill would add Chapter 50 to Title 11 of the Code of Laws of South Carolina to create the South Carolina Rural Infrastructure Authority to select and assist in financing qualified projects by providing financial assistance to municipalities, counties, special purpose or public service districts, and public works commissions. An eligible project may be the acquisition of any real or personal property in connection with an interest in land, buildings, structures, facilities, or furnishing of fixtures, machinery or equipment to aid the development of trade, commerce, industry, agriculture, and employment opportunities, all of which must be primarily located in a county designated as "distressed" or "least developed" pursuant to Section 12-6-3360. For 2007, twelve counties have been designated as "distressed", and nine counties have been designated as "least developed". The board of directors consists of seven voting appointments by the Governor from six members who reside in counties designated as "distressed" or "least developed", and one member from the state at large who shall serve as the chairman. There is created a Rural Infrastructure Fund to accept funds necessary for the authority to carry out its purpose. The Fund may accept, but is not limited to, state general fund appropriations made by the General Assembly, federal funds, public and private contributions and donations, and all other lawful sources as determined appropriate by the board. Before a loan is approved to a qualified borrower, the authority must obtain a review and approval by the Joint Bond Review Committee. In addition, qualified entities may secure an obligation from the authority secured by *ad valorem* taxes without regard to any public bidding requirement, or is any act of the authority subject to any referendum. The authority shall submit an annual report of its activities for the preceding year to the Governor and to the General Assembly. This act takes effect upon approval by the Governor.

/s/ WILLIAM C. GILLESPIE, PH.D.

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Chief Economist

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^{1/} This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.